

GSE CUSTOMER COUNCIL

October 21, 2003

Members Present:

John Bradford, Chairperson; John Baldwin, Vice-Chairperson, DOC; Capt. Bob Alles, DPS; Jennifer St. John, DNR; Marcia Spangler, DPH; Mary Lawyer, IDED; Roger Johnson, Cultural Affairs; Greg Anliker, Elder Affairs; Charlie Smithson, Ethics; Peggy Sullivan, Judicial.

Members Not Present:

Ruth White, Human Rights and Bob Straker, AFSCME.

Others Present:

Patrick Deluhery, GSE; Debbie O'Leary, GSE; Dale Schroeder, GSE; Scott Bertness, GSE; Tim Ryburn, GSE; Dean Ibsen, GSE; Tera Harrington, GSE; Nancy Williams, GSE; Ken Paulsen, GSE; Shirley Walker, GSE; Julie Sterk, DAS; Denise Sturm, DAS; Miranne Mickelson, Mollie Anderson, DAS

Call To Order

Chairperson Bradford called the meeting to order at 1:30 p.m.

Opening Comments

Patrick Deluhery advised the GSE Customer Council:

- 1) The proposed budgets are bare-bones budgets for General Services Enterprise.
- 2) GSE has not added new staff, we have replaced one or two people who have left and have kept some positions open where people have left.
- 3) The proposed budgets for FY05 is status quo.
- 4) GSE as well as other agencies have lived through the cuts of the last four years, the state revenue stream going from \$4.8 billion down to \$4.5 billion. GSE has given up a large number of positions in these four years with no corresponding reduction in what's expected of us – there were no responsibilities taken from General Services' list of responsibilities.
- 5) GSE will aim for Profit and Loss Statements; we expect to have those by December or the first of the year on a monthly basis, line-by-line according to the enterprises that are being presented today and Thursday. It is possible, as we get into the year and do these kinds of Profit and Loss statements, that we will be asking you for adjustments in the rates up or down and we will strive to be candid and open with you.

Approval of Minutes of 9/25/03 Meeting

Capt. Bob Alles moved to approve the minutes as typed. Jennifer St. John seconded the motion. Motion passed.

Design & Construction Rate Presentation (Dean Ibsen)

Dean Ibsen discussed the Design & Construction presentation "handout" (copy attached to minutes) in detail and answered many questions and comments.

John Bradford indicated that the fee in the private sector can be as high as 4% of the project and believes the cost of \$73.50/hour is on the "low side"; Greg Anliker also expressed his thought that this rate was low as well.

GSE noted a very important thing about the services GSE provides to our customer agencies, compared with outside vendors, is that we have knowledge, experience and expertise about all of the institutions that we work with that go back a number of years. GSE has standard contract forms, standard RFP, templates for processing many things – if an outside consultant came in they would have to learn that and develop the expertise for the specific agencies

John Baldwin expressed he has been very pleased since July 1 with the enthusiasm and quality of service from GSE Design and Construction staff. The problem he sees is talking with Legislature and advising them of this fee on his projects and requesting more money.

Mollie Anderson noted DAS had made a commitment of no or low cost increase.

After lengthy discussion, Capt. Bob Alles moved to tentatively accept the proposed billing rate of \$73.50 per hour for the Design and Construction Division. Roger Johnson seconded the motion. Motion passed.

Fleet Rate Presentation (Dale Schroeder)

Dale Schroeder discussed the Fleet presentation “handout” (copy attached to minutes) in detail and answered many questions and comments.

Dale described his task today is to discuss with the committee and, obtain approval on proposals for *three separate revolving fund rates*.

- 1) Fleet Management Administrative Services and overhead charges – the fee itself will be reduced because we are separating the State Garage from our Fleet Management Budget. The State Garage will be going Marketplace July 1, 2004.
- 2) Vehicle Self-Insurance Fund monthly vehicle premium – re-calculated every year
- 3) Monthly Depreciation Charge
When Fleet receives the 2004 vehicle contract costs – they will then calculate this rate and present to the Customer Council.

Dale asked that the Council endorse the methodologies for the rate determination for the three revolving accounts.

There is only one rate that has been calculated that the Council would be approving – the \$15.28 per month per vehicle.

Mary Lawyer noted she would like to get the proposed rates out to the departments for feedback before implementing them. Mary asked that the Committee give preliminary approval, package all the costs together and then contact the appropriate people in the departments, probably the director and the finance staff. Mary stated that the rates should be “bundled” together and sent out with a note advising agencies that this is your chance to comment and giving them a firm date to respond.

Mollie Anderson noted on October 28, all of the agencies will be together for the DAS Advisory Committee and at that time they will be getting an update on the work being done by each Customer Council. It is likely Committee chairpersons will be asked to actively participate in this meeting. DAS is hoping that all Committees will have their rates set at this time.

Mary Lawyer asked that the committee consider the actions taken today as “contingent upon us getting feed-back and subject to action later” so that they don’t think we have “rubber stamped it” without input.

Greg Anliker moved to approve (contingent upon feedback from agencies) the rate of \$15.28 per month as well as the methodology for the insurance and the vehicle replacement rate. Roger Johnson seconded the motion. Motion passed

Purchasing Rate Presentation (Debbie O’Leary)

Debbie O’Leary discussed the Purchasing presentation “handouts” (copies attached to the minutes) in detail and answered many questions and comments.

The information describes the core services that every agency, without independent purchasing authority, would receive from GSE purchasing. GSE proposes to enter into a Service Level Agreement with every agency in state government that GSE provides services to and list out the core services provided to agencies.

The other authority that is given to GSE agencies is to delegate purchasing authority to agencies. GSE has proposed in our Administrative Rules to increase that authority from \$2,500 to \$5,000.

Currently Purchasing is funded by a 1% fee based on the volume of purchases. GSE is proposing to take the last three years (FY03, FY02 and FY01); take an average of those, and adjust it slightly to meet the \$1.2 million dollar amount is needed to cover expenses.

John Bradford proposed the Committee hold decisions on the Purchasing area to another meeting.

Next meeting – Thursday @ 7:30a.m. – Hoover level A – EMD Conference Room

Adjournment

Respectfully submitted,

Nancy Williams
GSE Secretary